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GENERAL AGREEMENT
ON TARIFFS AND TRADE

Villa Le Bocage, Palais des Nations
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This information note, intended primarily for the use of news media, summarizes the main decisions taken at the twenty-seventh session of Contracting Parties to the GATT

TWENTY-SEVENTH SESSION OF GATT CONTRACTING PARTIES

Review of Main Conclusions

The eighty countries which are Contracting Parties to the General Agreement on Tariffs and Trade held their twenty-seventh session in Geneva from 16 to 26 November. The Chairman was Mr. Carlos Bosa (Chile). His opening statement has been issued as press release GATT/1095 of 16 November.

In the course of the session, delegates reviewed and took decisions on the current trade expansion programme of GATT, on arrangements for an exchange of trade concessions among developing countries, and on the outlook for international trade and trade policies. During the final three days of the session, many Member countries were represented by Ministers or high-level officials from capitals.

Trade policy statement

A wide-ranging debate on trade policy was introduced by a statement by the Director-General. At the end of the session, the following summing-up was made by the Chairman:

"The Contracting Parties are conscious of the dangers of instability and disorder in trade relations.

They recognize that prolonged debate and confrontation over issues, which it is in the interests of all to resolve, would be dangerous both economically and politically.

However, the Contracting Parties believe that the current situation, despite the serious risks it presents, also offers opportunities for constructive action. They recognize the importance of avoiding these risks and of seizing these opportunities through concrete action in the field of trade relations.

The Contracting Parties reaffirm their firm intention to continue to work together in the framework of the G..TT to overcome trade problems and differences. They reaffirm their determination to continue to give particular attention to the trade problems of developing countries and to the resolution of these problems.

The Contracting Parties agree to pursue, through the G..TT Programme for Trade Expansion, every opportunity of making further progress toward trade liberalization with respect to individual measures, or groups of measures, both in the industrial and in the agricultural field.

They also agree to take such opportunities as might arise for the settlement of particular trade problems, especially those regarded as most dangerous and irritating and the removal of which would lessen current frictions.

The Contracting Parties further agree that, looking to the longer term, it is their intention, as a principal objective, to pursue in the G..TT a new major initiative for dealing with the longer-term trade problems as soon as this is feasible.

There was a large majority who favoured including additional sentences as follows:

In pursuance of their intention to work together toward resolving trade problems and differences, the Contracting Parties with respect to the short term, direct the Council during the coming months to make appropriate arrangements for identifying those trade problems capable of prompt resolution and procedures for the settlement of these problems in 1972. With respect to the longer term the Contracting Parties direct the Council to make arrangements to analyze and evaluate alternative techniques and modalities for dealing in the G..TT with longer-term problems affecting world trade in the industrial and agricultural sectors.

There were, however, some other delegations who were not prepared to agree to these sentences and which favoured including the following:

In pursuance of their intention to work together toward attaining the above-mentioned objectives, the Contracting Parties confirm the terms of reference given to the Council in 1970 and direct the committees concerned to examine various techniques and modalities for giving, when the time comes, the necessary impetus with a view to new multilateral and general action within the G..TT in the direction of increased liberalization of international trade."

The delegation of Sweden had proposed that the evaluation of alternative techniques and modalities for dealing in the GATT with longer-term problems affecting world trade in the industrial and agricultural sectors should be undertaken by a special high-level trade policy group. This proposal received a large measure of support from among delegations. The support, however, was insufficient to enable the Contracting Parties to adopt the proposal, as it was felt by some delegations to be premature.

The Australian delegate proposed that a small group of experts, well versed in agricultural trade and aware of what might be acceptable to governments, should be set up to seek solutions to the problems of agricultural trade for all countries. As in the case of Sweden's proposal for a trade policy group, the Chairman of the Contracting Parties concluded that although a large measure of support had been received from delegations for this proposal, the support was insufficient to enable its adoption at this time.

GATT work programme

Industrial products

The Contracting Parties adopted the report of the Committee on Trade in Industrial Products after hearing a statement by the Chairman of the Committee, Mr. Guy Stuyck (Belgium).

With regard to the future work of the Industrial Committee on non-tariff barriers, there was general agreement that the main emphasis should be given to pursuing energetically the work now under way on standards and licensing to the end that shortly, as has already been the case for valuation, texts might be submitted to governments.

In addition there was a consensus that the time had come to select certain additional non-tariff barriers for similar work as and when the schedules of the various groups permit. There was general support for the undertaking of work on export subsidies, covered by Article XVI:4, on the problems of import documentation, including consular formalities, and of packaging and labelling. There was also general agreement that there should be continuous exploration of the possibilities of adding other topics to this work programme.

The Working Party on the Tariff Study has carried out a general analysis of the industrial tariffs and trade of the major developed countries and has established supplementary tabulations to the basic documentation. This material is being up-dated and its coverage extended. The Working Party's preliminary report will provide a systematic examination of the structure of industrial tariffs and the variations in levels of tariff rates between the countries studied, as well as between product categories. It will thus provide a basis for exploration of possible approaches to future action on tariffs. In addition work will continue on a study of the feasibility of measuring the effects of tariff changes on trade. The Contracting Parties endorsed the continuance of this work programme.

Agriculture

The Contracting Parties also adopted the report of the Agriculture Committee after hearing a statement by the Director-General, Chairman of the Committee. The main task of the Committee since the last session of the Contracting Parties has been the search for mutually acceptable solutions to the principal problems facing trade in agricultural products. The Director-General recalled that the Committee had covered a vast area of suggestions or proposals as to how to deal with these problems; it had noted, however, that none of the suggested solutions commanded support wide enough to have permitted to qualify them as mutually acceptable.

Trade of developing countries

Efforts under the GATT work programme to enlarge export opportunities for developing countries were discussed in the light of reports from the Committee on Trade and Development, the Special Group on Trade in Tropical Products, and a group composed of the three chairmen of the Contracting Parties, the Council of Representatives and the Committee on Trade and Development.

Statements were made on behalf of the Chairman of the Committee on Trade and Development, Mr. A. Popić (Yugoslavia); by the Director-General, as Chairman of the Special Group on Trade in Tropical Products; and on behalf of the Group of Three by Mr. E. Thrane (Denmark), Chairman of the Council of Representatives. The reports were adopted.

It was decided that the Group of Three, which had been set up early in 1971 to present proposals for concrete action to be taken to deal with the trade problems of developing countries, should be retained in order to ensure follow-up action on its report. The Group is to explore with the countries concerned the possibilities for dealing with difficulties connected with the implementation of its recommendations and the progress made in implementing them. In the light of discussions held in the relevant GATT groups and committees, the Group of Three may also make recommendations or suggestions aimed at facilitating the implementation of Part IV of the General Agreement (Part IV is the chapter concerned with the special needs of developing countries). The Group is to report, in the ordinary course, to the Committee on Trade and Development and to the Contracting Parties.

Summing up the discussions, the Chairman said that the Contracting Parties had welcomed the indication given that several Member governments were considering measures to implement specific recommendations made by the Group of Three. They had expressed the hope that countries which had not yet completed their review of the Group's recommendations would do so as soon as possible. It had been agreed that where governments have noted certain problems in adopting measures in pursuance of the specific recommendations addressed to them, they should consider individually and wherever necessary and helpful, in consultation with other contracting parties, what may be done to resolve these problems.

In the light of the recommendations made by the Group of Three, the GATT secretariat is to compile for individual developing countries information which would show the tariff and non-tariff barriers applying to its exports and the volume of trade covered.

The Group of Three proposed that consultations should take place among all interested contracting parties, with a view to exploring the possibility of concerted action to liberalize trade in vegetable oils and oilseeds on a multilateral basis. This proposal was also supported in the Committee on Trade and Development. Contracting Parties agreed that this proposal should be pursued.

It was agreed, the Chairman noted, that in preparing for multilateral action to deal with specific types of non-tariff barriers, the Committee on Trade in Industrial Products and its various sub-groups should continue to give particular attention to the special trade problems of the developing countries and to the resolution of these problems within the framework of the solutions worked out in these bodies.

Contracting parties are to continue to pursue possibilities for such priority action to remove or reduce barriers affecting the trade of developing countries in both agricultural and industrial products as can be taken outside the framework of the multilateral solutions being worked out in the main GATT committees.

Trade negotiations among developing countries

On 26 November 1971 the Contracting Parties agreed to waive the most-favoured-nation clause of the General Agreement to allow countries which had participated in the trade negotiations among developing countries to implement the agreements agreed on during these negotiations.[1] Sixteen countries took part in these negotiations; fourteen are contracting parties to GATT. A full account of this decision and of the negotiations themselves is given in press release GATT/1097.

Enlargement of European Economic Community

The prospective accession of a number of European countries to the Treaty of Rome was recognized to be of great significance to the future pattern of world trade. The Director-General has been requested to consult, at the appropriate time, with interested contracting parties for the purpose of formulating and submitting to the GATT Council terms of reference for a working party. There was a widespread desire that the Director-General initiate these consultations immediately upon the signature of each accession agreement.

Reports on regional agreements

Contracting Parties instructed the Council to establish a calendar fixing dates for the examination, every two years, of the reports on regional or preferential agreements.

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[1] The United States delegation was unable to support this decision.

Under the guidance of a working party which will provide appropriate directives, the secretariat is to ascertain as far as possible the statistical facts concerning the trade of Member countries at most-favoured-nation and at other rates. The findings are to be made available within six months to the Council.

Report of the Council

On the basis of the detailed report by the Council of Representatives, Contracting Parties discussed a number of further specific issues that had arisen since their last session.

Election of Officers

As recorded in greater detail in press release GATT/1096, the Contracting Parties elected the following as their officers for the period until the end of the twenty-eighth session:

Chairman of the Contracting Parties	Ambassador G. Sacquin (Italy)
Vice-Chairman of the Contracting Parties	Ambassador H. Gros Espiell (Uruguay)
Chairman of the Council of Representatives	Ambassador C.H. Archibald (Trinidad and Tobago)
Chairman of the Committee on Trade and Development	Ambassador B.R. Patel (India)